

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:4668
ANSWERED ON:25.04.2000
CLOSURE OF SMALL SCALE UNITS IN PHARMA SECTOR
NAMDEO HARBAJI DIWATHE

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a): whether the small scale units in pharma sector are having hard times due to stiff competition from multinational companies and most of them have either closed or sinking in terms of profit and are likely to close;
- (b): if so, whether the Government have reviewed and work out the package for the survival and growth of such units;
- (c): if so, the details thereof;
- (d): the number of representations received in this regard and the action taken/proposed to be taken thereon;
- (e): the details of fresh policy initiatives taken/under consideration in this regard during the current year;
- (f): whether ESI Corporation and Defence Organisation also do not permit small scale Pharma units to participate in tenders unless the unit has annual scale of Rs. 20 crores instead of quality control criteria; and (g): if so, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI RAMESH BAIS)

(a) to (e) : To meet the objective of making available pharmaceutical products of good quality at reasonable prices, economic policies are aimed at removal of counter productive measures and to encourage competition. The small scale units in the pharmaceutical sector are exempted from price control of scheduled formulations with regard to non-ceiling prices fixed by the Government under the Drugs (Prices Control) Order, 1995.

(f) and (g): The Department of Chemicals and Petrochemicals does not deal with purchase of medicines. Purchase organizations may formulate their own guidelines for the purpose.